

**MINUTES OF THE TACOMA NARROWS BRIDGE  
TOLL RATE PROPOSAL  
WASHINGTON STATE TRANSPORTATION COMMISSION  
May 20, 2008**

The special meeting of the Washington State Transportation Commission was called to order at 6 p.m. on Tuesday, May 20, 2008, at the Inn at Gig Harbor, 3211 56<sup>th</sup> Street NW, Gig Harbor, Washington.

Commissioners present at the meeting were: Chair Ford, Bob Distler, Elmira Forner, Carol Moser, Philip Parker and Dale Stedman. Commissioner O'Neal was absent.

**Chair Ford**

Called the meeting to order indicating that today's meeting is a work session only and no action will be taken. The Department of Transportation will provide an overview of the toll rate proposal followed by a public comment period. The Commission will hold a public meeting, hear public comment and take action on the toll rate proposal on Tuesday, May 27, 2008, at 6 p.m., at the Inn at Gig Harbor, 3211 56<sup>th</sup> Street NW, Gig Harbor, Washington.

He noted that the Commission scheduled two meetings, so that people who couldn't make it on May 20<sup>th</sup> maybe could make it on the May 27<sup>th</sup>. He added that there has been a misconception by some that once the toll rates were initially set it was for the entire period of paying off the bond debt. From the beginning there has been a financial plan in place that covers the bond debt and operational costs through 2030. The financial plan changes over time due to bond debt and various operational costs associated with the bridge. The debt service for Fiscal Year 2008 is slightly under \$15 million, for Fiscal Year 2009 it increases to \$27 million and will peak at nearly \$74 million in 8 or 9 years.

**Ted Trepanier, Co-Director Maintenance and Operations, State Traffic Engineer**

Opened the presentation with introduction of Greg Selstead, Director, Toll Operations and Jerry Lenzi, Chief Engineer, WSDOT.

Mr. Trepanier provided a nine-month overview of TNB toll operations. He shared that the opening of the TNB was one of the most successful launches of a toll facility in the country with a record number of electronic transponders issued, in fact far more than was anticipated. There are over 98 thousand Good To Go accounts with 96 percent of Gig Harbor residents holding ETC accounts. There have been over 12.5 million transactions and over \$24 million in revenue with a violation rate around 2 percent. He provided an overview of eastbound traffic and revenue data (including potential violators) by month from July 2007 through April 2008, explaining that "potential" violations include a number of vehicles which upon review may be identified as Good To Go customers. Following review if an ETC account is in place the toll would be applied and the vehicle would drop off the violator list.

Commissioners inquired if exceptions occur frequently and questioned if violations are low as compared to a national level

**Mr. Trepanier**

Responded that it's the exception, there are a lot of them, although it's about as low as anywhere in the country. He moved on to explain that toll rates must be imposed in amounts sufficient to cover the annual operating and maintenance expenses, meet the payments of the bond debt and repay the motor vehicle fund for the advance funding. He provided an overview of forecasted revenues in comparison to actual revenue collected.

Commissioners and Mr. Trepanier discussed various conditions that can lower and increase the toll revenue.

He moved on to explain how toll revenue is distributed between operational costs and the debt service. Based on the newly negotiated contract with TransCore there will be a significant increase in TNB estimated annual toll revenue resulting in a relative decrease in the cost percentage for toll operations. The renegotiated contract through 2012 saves nearly \$150 thousand a month for TNB toll payers. The bridge has been covered with an insurance policy at a cost of \$2,680,038 for calendar year 2008. The policy covers the bridge in the event of a loss of toll revenue resulting from a natural disaster or terrorism. Toll bridges in Washington State have historically been insured.

**Representative Seaquist**

Shared that a number of constituents are quite sensitive to paying insurance on the bridge. It should be clearly explained that insuring the bridge results in lower interest rates on the bonds.

**Mr. Trepanier**

Noted that TransCore traffic count data integrity was questioned, so the Department installed an automated data recorder to count traffic to use as a comparison to TransCore's count. The accuracy rate for the traffic count was 99.84 percent.

**Bob Ryan, Chair, Citizen Advisory Committee**

Explained that the CAC met in January and February to discuss the requirements of the cost and debt service that would be incurred in order to make a decision to recommendation a toll increase by \$1 dollar on both ETC and manual toll - \$2.75 and \$4 dollars. There was a great deal of discussion about why a discount would be maintained. It was felt that it would be appropriate for the citizens that use the bridge the most to have some discount. It is understood that there are differences of opinion, but the CAC feels that it is justified for citizens that use the bridge on a daily basis as a small benefit to subset the increased cost. The CAC recognized that toll revenues collected were projected to be higher than the projected revenue needed. He noted that leaving a cushion of revenue in the account was an appropriate decision based on recent traffic count drops.

All different types of groups were discussed and the CAC determined that the fairest way to provide for bond debt was that every vehicle using the bridge should be paying the same rate.

Emergency vehicles pay the tolls, but are reimbursed for emergency calls only.

**Senator Kilmer**

Thanked the CAC and the Commission for their hard work and dedication in accomplishing this task.

**Chair Ford**

Before opening the floor for public comment he iterated that the proposal on the table is to increase the TNB toll rate by \$1 dollar - \$2.75 ETC and \$4 dollars manual

**Public Comment**

**Adrian Oliva**, representing the Bremerton/Kitsap Aeroporter shared that the shuttle crosses the bridge 24 times per day. Which amounts to \$1302 dollars per month, with the additional dollar added in will increase another \$744 per month, costing approximately \$25 thousand per year to cross the bridge. The Utilities and Transportation Commission (UTC) will not allow the toll to be passed on to the customer.

**Chair Ford**

Suggested that the Commission send a letter to the UTC regarding this issue.

**Jack Sareault**

Resident, Gig Harbor, expressed concern regarding a \$1 dollar increase on the ETC being too high.

**Bill Wilson**

Resident, Gig Harbor, expressed his support of the proposed toll, noting that it's a good compromise. He also thanked the CAC for their support of the area residents. He encouraged the Commission to continue to support those recommendations.

**Vikki Verhulp**

Resident, Gig Harbor, thanked the CAC for their diligence. She expressed concern that the TNB is a public roadway and the cost must be regulated. There can not be a continued negative impact on the public. While it is reasonable to increase the toll, the amount of the increase is unreasonable and irresponsible.

**Senator Kilmer**

Commented that the initial finance plan for the TNB included a small subsidy from the state for the first year ETC discount, at the end of the one year the plan assumed a \$3 ETC/\$3 cash toll to meet the debt and operational costs.

**Representative Seaquist**

Emphasized that using a step increase method was good planning and business management,

resulting in minimizing debt while the bridge was under construction.

**Donnella Mitchell**

Resident, Gig Harbor, asked if what she is hearing is that \$4 dollars cash and \$2.75 ETC is not the way it's going to stay.

**Chair Ford**

Iterated that the Commission's charge is meeting the debt obligation on the bridge and balancing a lot of interests leaving little room for negotiation.

Commissioner's noted that the debt obligation and toll rate will be reviewed annually.

**Colleen Koval**

Resident, Fox Island, shared that the public attitude is that public comment is worthless and the state does whatever it wants. It is guaranteed that when the rates increase traffic will decrease. Toll increases along with the price of gas is a double edged sword.

**Chair Ford**

Thanked the public for attending today's meeting and sharing their views.

Commissioner's noted that the debt obligation and toll rate will be reviewed annually.

*It is noted for the record that the Commission has received and reviewed written comments submitted addressing this toll rate proposal.*

The Commission meeting adjourned at 8 p.m., on May 20, 2008.

WASHINGTON STATE TRANSPORTATION COMMISSION

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DICK FORD, Chair

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ELMIRA FORNER, Vice-Chair

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PHILIP PARKER, Member

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CAROL MOSER, Member

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ABSENT

DAN O'NEAL, Member

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ROBERT S. DISTLER, Member

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DALE STEDMAN, Member

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PAULA HAMMOND, Ex-Officio Member  
Secretary of Transportation

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JENNIFER ZIEGLER, Governor's Office

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL